

## LNF & IHCIF Calculations Illustration **- Mohegan in Nashville area -**

### Given Data

- 972 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 127.2% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 95.9% = Nashville area cost index for health status above or below average

### Cost Adjustment Calculations

- \$3,410 per person for purchased services =  $90\% * 127.2\% * \$2,980$
- \$404 per person for in-house services =  $10\% * 135.7\% * \$2,980$
- \$3,815 per person total = \$3,410 (purchase) + \$404 (in-house)
- **\$3,659 per person total** adjusted for health status =  $\$3,815 * 95.9\%$
- **\$2,914 per person net cost** =  $\$3,659 - \$745$  Other resources (M&M&PI)

### Existing Expenditures (for 972 users excluding wrap-around and collections)

- \$929 per person = local IHS allowance (excludes \$ for wrap-around)
- \$139 per person = expenditures elsewhere in Nashville area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,122 per person for OU users** =  $\$929 + \$139 + \$54$

### LNF Calculation

- **30.7% Gross LNF** =  $\$1,122$  (expenditures) /  $\$3,659$  total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **38.5% Net LNF** =  $\$1,122 / \$2,914$  net cost ( $\$3,659 - \$745$  other)

### IHCIF Allocation

- \$609,191 = \$ to raise LNF% from 38.5% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction =  $\$9,000,000$  fund /  $\$258,040,100$  needed
- **\$21,249 Allocation** =  $\$609,191$  needed for 60% \* 3.488% IHCIF fraction

### Mohegan Unmet Needs

- **\$2,832,848 Net Total Need** =  $972$  users \*  $\$2,914$  net cost
- **\$1,742,331 Net Unmet Need** =  $(100\% - 38.5\% \text{ LNF}) * 972$  users \*  $\$2,914$  net cost